



**STATE OF NORTH CAROLINA**  
**OFFICE OF STATE BUDGET AND MANAGEMENT**

BEVERLY EAVES PERDUE  
GOVERNOR

ANDY WILLIS  
STATE BUDGET DIRECTOR

November 17, 2011

MEMORANDUM

TO: Senators Brunsetter, Hunt and Stevens  
Representatives Brubaker, Crawford, Dollar, Gillespie, and Johnson

FROM: Jennifer Hoffmann, Asst State Budget Officer for Infrastructure

SUBJECT: UNC Non-General Fund Capital Improvement Projects

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Pursuant to Section 6.5. (d)(4), of Session Law 2011-145, the Office of State Budget and Management (OSBM) must consult with the Appropriations Committee of the House of Representatives and the Appropriations/Base Budget Committee of the Senate prior to any expenditure for a new capital improvement project not specifically authorized by the General Assembly.

Attached please find one capital advance planning project and three capital improvement projects that have been reviewed and approved by the Board of Governors of The University of North Carolina per G.S. 143C-8-12. Consistent with consultation requirement cited above, OSBM is submitting these non-General Fund capital projects to the House and Senate appropriations committees for their consideration.

cc: Andy Willis  
David Brown  
Charles Perusse  
Terrance Feravich  
Mark Bondo  
Andrea Poole  
Denise Harb

**New Capital Improvement Project**  
**Consultation Required per Section 6.5.(d)(4) of S.L. 2011-145<sup>1</sup>**

Department/Institution: North Carolina Central University Advance Planning Request: X  
Project Title: Baynes Residence Hall Fire Suppression System Installation New Capital Projects: \_\_\_\_\_  
Project Cost: \$165,000  
Source of Funds: Housing Receipts

**For each advance planning project or capital construction project, please provide the following:**

1. A detailed project description and justification:  
This project will plan the installation of a fire suppression sprinkler system for Baynes Residence Hall (built 1966, 85,320 square feet, 9-story, 400-beds). Work will also include upgrading of the existing fire alarm system.
2. An estimate of acquisition, planning, design, site development, construction, contingency and other related costs (Answer for capital construction only): N/A
3. An estimated schedule of cash flow requirements over the life of the project (Answer for capital construction only): N/A
4. An estimated schedule for the completion of the project: Advance planning is expected to be completed by May 2012.
5. An estimate of maintenance and operating costs, including personnel, covering the first five years of operation (Answer for capital construction only): N/A
6. An estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation (Answer for capital construction only): N/A
7. An explanation of the means of financing: Housing receipts that will be budgeted for this purpose.

<sup>1</sup> Section 6.5(d)(4) of S.L. 2011-145 requires the Office of State Budget and Management (OSBM) to consult with the Appropriations Committee of the House of Representatives and the Appropriations/Base Budget Committee of Senate on all new advanced planning and capital improvement projects funded from gifts, grants, receipts, special funds, self-liquidating indebtedness, and other funds or any combination of funds for projects not specifically authorized by the General Assembly. This requirement includes projects authorized by the Board of Governors of the University of North Carolina. Each project must include a description for each proposed capital project as delineated in G.S 143C-8-6(e).

**New Capital Improvement Project**  
**Consultation Required per Section 6.5.(d)(4) of S.L. 2011-145<sup>1</sup>**

Department/Institution: North Carolina State University Advance Planning Request:             
 Project Title: College of Veterinary Medicine (CVM) Surgical Skills Suite Renovation New Capital Projects:   X    
 Project Cost: \$471,000  
 Source of Funds: CVM Hospital Receipts

**For each advance planning project or capital construction project, please provide the following:**

1. A detailed project description and justification:

This project would renovate approximately 4,416 square feet in the College of Veterinary Medicine's Main Building (312,413 square feet, three-story, built in 1982) located on the Centennial Biomedical Campus. Work allows the expansion of the area within the building dedicated to dog and cat treatment and includes renovation of the surgical skills suite, medical equipment installation, and required upgrades to building systems.

2. An estimate of acquisition, planning, design, site development, construction, contingency and other related costs (Answer for capital construction only): Total project cost is estimated to be \$471,000.

3. An estimated schedule of cash flow requirements over the life of the project (Answer for capital construction only):

By the End of:	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012
Expected Expenditure	\$28,260	\$18,840	\$141,300	\$259,050	\$23,550

4. An estimated schedule for the completion of the project: The project is expected to be completed by July 2012.
5. An estimate of maintenance and operating costs, including personnel, covering the first five years of operation (Answer for capital construction only): No additional maintenance and operating costs are expected for the first five years of operation.
6. An estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation (Answer for capital construction only): No additional revenues are expected for the first five years of operation.
7. An explanation of the means of financing: CVM hospital receipts from patient care that will be budgeted for this purpose.

<sup>1</sup> Section 6.5(d)(4) of S.L. 2011-145 requires the Office of State Budget and Management (OSBM) to consult with the Appropriations Committee of the House of Representatives and the Appropriations/Base Budget Committee of Senate on all new advanced planning and capital improvement projects funded from gifts, grants, receipts, special funds, self-liquidating indebtedness, and other funds or any combination of funds for projects not specifically authorized by the General Assembly. This requirement includes projects authorized by the Board of Governors of the University of North Carolina. Each project must include a description for each proposed capital project as delineated in G.S 143C-8-6(e).

<b>New Capital Improvement Project</b> <b>Consultation Required per Section 6.5. (d)(4) of S.L. 2011-145<sup>1</sup></b>
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Department/Institution: <u>University of North Carolina at Chapel Hill</u>	Advance Planning Request: _____
	New Capital Projects: <u>X</u>
Project Title: <u>Caudill Hall Laboratory Up-fit</u>	
Project Cost: <u>\$372,000</u>	
Source of Funds: <u>University Trust Funds and Facilities &amp; Administrative Receipts</u>	

**For each advance planning project or capital construction project, please provide the following:**

1. A detailed project description and justification:  
 This project would make improvements to approximately 1,392 square feet of existing laboratory space in Caudill Labs building (152,424 square feet, four-story, built in 2006). Work would up-fit the laboratory space in Rooms 024 and 134 to accommodate new research equipment including required upgrades to building systems.
2. An estimate of acquisition, planning, design, site development, construction, contingency and other related costs (Answer for capital construction only): Total project cost is expected to be \$372,000.
3. An estimated schedule of cash flow requirements over the life of the project (Answer for capital construction only):
 

By End of:	3Q 2011	4Q 2011	1Q 2012	2Q 2012
Expected Expenditure	\$37,200	\$93,000	\$111,600	\$130,200
4. An estimated schedule for the completion of the project: The project is expected to be completed by June 2012.
5. An estimate of maintenance and operating costs, including personnel, covering the first five years of operation (Answer for capital construction only): No additional maintenance and operating costs are expected for the first five years of operation.
6. An estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation (Answer for capital construction only): Laboratory up-fits will allow UNC-CH to be more competitive in applying for grants and other research opportunities. If successful, the additional grants and research opportunities may produce additional revenue.
7. An explanation of the means of financing: Lineberger Cancer Fund trust funds (\$60,000), Chemistry Department trust funds (\$250,000) and Facilities and Administrative receipts (\$62,000) that will be budgeted for this purpose.

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<sup>1</sup> Section 6.5(d)(4) of S.L. 2011-145 requires the Office of State Budget and Management (OSBM) to consult with the Appropriations Committee of the House of Representatives and the Appropriations/Base Budget Committee of Senate on all new advanced planning and capital improvement projects funded from gifts, grants, receipts, special funds, self-liquidating indebtedness, and other funds or any combination of funds for projects not specifically authorized by the General Assembly. This requirement includes projects authorized by the Board of Governors of the University of North Carolina. Each project must include a description for each proposed capital project as delineated in G.S 143C-8-6(e).

**New Capital Improvement Project**  
**Consultation Required per Section 6.5.(d)(4) of S.L. 2011-145<sup>1</sup>**

Department/Institution: University of North Carolina at Chapel Hill

Advance Planning Request: \_\_\_\_\_

New Capital Projects:   X  

Project Title: Mitchell Hall Geological Sciences Renovation

Project Cost: \$500,000

Source of Funds: University Trust Funds and Facilities & Administrative Receipts

**For each advance planning project or capital construction project, please provide the following:**

1. A detailed project description and justification:

This project would renovate approximately 3,060 square feet in Mitchell Hall (58,421 square feet, five-story, built in 1964) to provide a GIS computer lab and additional faculty offices and support space for the Department of Geological Sciences. Work would include accessibility improvements and required upgrades to building systems.

2. An estimate of acquisition, planning, design, site development, construction, contingency and other related costs (Answer for capital construction only): Total project cost is expected to be \$500,000.

3. An estimated schedule of cash flow requirements over the life of the project (Answer for capital construction only):

By End of:	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012
Expected Expenditure	\$50,000	\$100,000	\$150,000	\$175,000	\$25,000

4. An estimated schedule for the completion of the project: The project is expected to be completed by September 2012.

5. An estimate of maintenance and operating costs, including personnel, covering the first five years of operation (Answer for capital construction only): No additional maintenance and operating costs are expected for the first five years of operation.

6. An estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation (Answer for capital construction only): No additional revenues are expected for the first five years of operation.

7. An explanation of the means of financing: College of Arts and Sciences trust funds (\$250,000) and Facilities and Administrative receipts (\$250,000) that will be budgeted for this purpose.

<sup>1</sup> Section 6.5(d)(4) of S.L. 2011-145 requires the Office of State Budget and Management (OSBM) to consult with the Appropriations Committee of the House of Representatives and the Appropriations/Base Budget Committee of Senate on all new advanced planning and capital improvement projects funded from gifts, grants, receipts, special funds, self-liquidating indebtedness, and other funds or any combination of funds for projects not specifically authorized by the General Assembly. This requirement includes projects authorized by the Board of Governors of the University of North Carolina. Each project must include a description for each proposed capital project as delineated in G.S. 143C-8-6(e).